



Credit Union Department

* * NEWSLETTER * *

No. 10-02

October 31, 2002

e-mail: info@tcud.state.tx.us

web address: www.tcud.state.tx.us

Notice of Commission Meeting

The Credit Union Commission will meet on Friday, November 15, 2002, at 10:00 a.m. in Austin at the offices of the Credit Union Department. A copy of the agenda is attached.

Consumer Complaint Notices – 7 TAC Section 29.21

On February 22, 2002, the Texas Finance Commission adopted a rule, which specifies the manner in which Sale of Check licensees and their agents shall provide information to consumers on how to file a complaint with the Texas Banking Department. In conjunction, state and federal credit unions acting as “agents” by selling checks (e.g., money orders and travelers’ checks) for one or more Sale of Check licensees must comply with the consumer posting notification requirements of Rule 7 TAC Section 29.21.

In order for the Sale of Check licensee to comply with this rule, it must ensure that its agents conspicuously post a consumer complaint notice in each area or location where face-to-face business is conducted. If business is conducted in two or more languages at one or more locations, each area should post notices in all applicable languages. The posted notice(s) should be readable by a person with 20/20 vision from a reasonable distance. Posting on a bulletin board or in a place accessible to the general public is acceptable.

If a credit union, acting on behalf of a Sale of Check licensee in an agent capacity, offers such services over the Internet, its website must also contain access to the required notice. Acceptable measures would include posting the notice on a separate page of the website with a conspicuous link from those web pages offering services to the notice page.

Additional information regarding this requirement may be found on the Texas Banking Department website (www.banking.state.tx.us) in its *Law and Guidance Manual* section.

Commission Member Wins Award

The Department is proud to report that Rufino Carbajal, Jr., a current member of the Texas Credit Union Commission and president of West Texas Credit Union in El Paso, will be presented with the Herb Wegner Memorial Award for Individual Achievement. Mr. Carbajal is being recognized for his work to improve financial services available to the citizens of El Paso and throughout Texas, many of them in the lower income and underserved communities. The award represents the highest national honor available in the credit union movement.

Homeowners Insurance

Recently, the Texas Department of Insurance initiated a Cease and Desist Order against Farmers Insurance Company and the Texas Attorney General initiated a deceptive pricing lawsuit against the same company. Both actions relate to Farmer's activities in homeowner's insurance. As a result of these disagreements, Farmers has stated its intent to cease writing homeowner's insurance in Texas beginning November 11, 2002.

Absent a resolution to the legal issues prior to November 11, 2002, credit unions, as a mortgage lender, should engage in additional member contact and service to ensure that residential properties securing loans in your portfolio, or that you are servicing, are appropriately insured at all times. Safe and sound lending practices dictate all loans secured by improved real estate should be adequately insured.

We encourage credit unions to immediately institute a monitoring program to identify and work with members that will be affected by Farmer's withdrawal from the Texas market.

Department Web Site

The Department has a "new look" to its web site. We encourage everyone to browse the web site at your convenience. Should you encounter problems or are not able to locate specific information, please contact our office, and we will be glad to assist you in anyway we can.

Newsletter Notice

As required by statute, each state agency must obtain an annual confirmation from individuals receiving monthly publications at no charge. Specifically, the law requires that a notice be placed in three consecutive issues of the publication, and that anyone desiring to continue to receive the publication must so indicate in writing. In order to simplify the process, we have included a return form in the Newsletter. **Please submit the enclosed form to this office if you desire to continue to receive the Department's Newsletter each month.**

Director Applications

As credit unions begin preparation for annual meetings and elections, the officials are reminded that persons who are nominated for, or are seeking re-election to office must complete a written Director Application to Serve. Rule 91.501(b) provides minimum qualification requirements that must be met. The application of elected directors must be incorporated into the minutes of the first board meeting following the election and maintained at the credit union office for review by the examiners. Incumbent board members running for re-election must complete an application as well. If a person nominated from the floor or by petition is elected to the board, the application must be completed within 30 days. Any person appointed to the board to fill an unexpired term of another board member must also complete an application within 30 days of the appointment. **For your convenience, the form is available on the TCUD website (<http://www.tcud.state.tx.us/applications/index.html>)**

Applications Approved

Applications approved since September 30, 2002 include:

Credit Union

Changes or Groups Added

Field of Membership Change(s) Approved:

Medical Community Credit Union (Odessa)
Texas Bay Area Credit Union (Pasadena)
(Cities of Pasadena, La Porte and Deer Park)
Port of Houston Credit Union (Houston)
Texans Credit Union (Richardson)
Travis County Credit Union (Austin)
U.S. Employees Credit Union (The Woodlands)

See Newsletter No. 06-02
See Newsletter No. 06-02
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Articles of Incorporation Change(s) Approved:

Austin Metropolitan Financial Credit Union (Austin)

See Newsletter No. 09-02

Merger(s) or Consolidation(s) Approved:

Texaco Houston Credit Union (Houston)

See Newsletter No. 06-02

Applications Received

The following applications were received and published in the *Texas Register*.

Articles of Incorporation Change(s):

Southwest Resource Credit Union (Baytown) – The credit union is proposing to change its name to Community Resource Credit Union.

San Antonio Teachers Credit Union (San Antonio) – The credit union is proposing to change its name to Firstmark Credit Union.

Comments or a request for a meeting by any interested party relating to an application must be submitted in writing within 30 days from the date of this publication. Any written comments must provide all information that the interested party wishes the Department to consider in evaluating the application. All information received will be weighed during consideration of the merits of an application. Comments or a request for a meeting should be addressed to the Texas Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699.

Publishing Notice of Applications in the Texas Register

(www.sos.state.tx.us)

In order to meet the submission deadlines for the applicable issues of the *Texas Register*, it is necessary for the Department to establish the following schedule. Because of the *Texas Register* printing schedules, completed applications received after the deadline for the month cannot be published until the following month.

<u>For an Application To be Published</u>	<u>Deadline for Receipt of An Application</u>	<u>Comment Period Will Conclude on</u>
November 2002	Friday, November 15	December 30
December 2002	Friday, December 13	January 30
January 2003	Friday, January 10	March 2
February 2003	Friday, February 14	March 30

Holiday Schedule for TCUD

The Department's office will be closed on **November 11, 2002**, in observance of Veteran's Day and **November 28-29, 2002** in observance of Thanksgiving.

HAPPY THANKSGIVING



